

Internal Revenue Service

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Legend

X =
State =
Year 1 =

Dear :

This is in response to ruling request dated December 20, 2012, submitted on behalf of X by its authorized representative, concerning the status of X as a "religious order" for purposes of sections 1402(c)(4), 3121(b)(8)(A), and 3401(a)(9) of the Internal Revenue Code (Code).

Sections 1402(c)(4), 3121(b)(8)(A), and 3401(a)(9) of the Code, in certain situations, except from the Self-Employment Contributions Act (SECA) tax, the Federal Insurance Contributions Act (FICA) tax, and federal income tax withholding, respectively, remuneration received for services performed by a member of a religious order in the exercise of duties required by the order.

You state the following in your incoming letter. X is an interdenominational Christian ministry. X was incorporated under the laws of State and recognized as exempt from taxes as an organization described under section 501(c)(3) of the Code in Year 1. X's purposes are to evangelize, plant churches, and develop bases worldwide in order to train and send out personnel to further the work of X. X receives a majority of its financial contributions from organized churches and Christian individuals. However X is not under the control and supervision of a church or convention or association of churches.

All applicants to X are screened for Christian maturity and doctrinal orthodoxy. Each candidate must successfully complete a three-month residential Candidate Orientation

that includes both classroom study and participation in the community life of membership at X's headquarters. A candidate who completes the orientation and who is accepted for service by the members becomes a member of X.

Members commit to X indefinitely. The average length of service of current members is twenty years. Members affirm in writing that they will obey the regulations set by X, that they are willing to endure sacrifice in the fulfillment of Christ's command to preach the gospel, and that they will seek in true humility to be loving, loyal, prayerful and unselfish workers in X.

X owns and operates housing and offices on its headquarters' campus where the largest concentration of its members, who work in the United States, live together. Members participate in regular worship and prayer meetings, as well as communal meals several days per week. Members are subject to strict rules of conduct. Members work full time to further X's purposes of reaching people with the gospel, planting churches, and mobilizing Christians to be engaged in missionary evangelism. Members are typically engaged in evangelism and perform services ranging from conducting public meetings and leading Bible studies to translating religious literature. All activities in which members engage directly or indirectly advance X's religious purposes.

Revenue Procedure 91-20, 1991-1 C.B. 524, states that the Internal Revenue Service will use the following characteristics in determining whether an organization is a religious order:

1. The organization is described in section 501(c)(3) of the Code.
2. The members of the organization vow to live under a strict set of rules requiring moral and spiritual self-sacrifice and dedication to the goals of the organization at the expense of their material well-being.
3. The members of the organization, after successful completion of the organization's training program and probationary period, make a long-term commitment to the organization (normally more than two years).
4. The organization is, directly or indirectly, under the control and supervision of a church or convention or association of churches, or is significantly funded by a church or convention or association of churches.
5. The members of the organization normally live together as part of a community and are held to a significantly stricter level of moral and spiritual discipline than that required of lay church members.
6. The members of the organization work or serve full-time on behalf of the religious, educational, or charitable goals of the organization.

7. The members of the organization participate regularly in activities such as public or private prayer, religious study, teaching, care of the aging, missionary work, or church reform or renewal.

With respect to the characteristics set forth in Rev. Proc. 91-20, X does not meet characteristic number 4. X is not, either directly or indirectly, under the control and supervision of a church or convention or association of churches, and it is not significantly funded by a single church or convention or association of churches.

However, X possesses all the other characteristics in Rev. Proc. 91-20. Accordingly, based on our consideration of all of the facts and circumstances, we conclude that X is a religious order for purposes of sections 1402(c)(4), 3121(b)(8)(A), and 3401(a)(9) of the Code.

No opinion is expressed or implied on the tax consequences of any aspect of the transaction or item discussed or referenced in this letter under any other section of the Code.

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

Michael Swim
Senior Technician Reviewer
Employment Tax Branch 1
Office of Division Counsel /
Associate Chief Counsel
(Tax Exempt & Government Entities)

cc: